

April 11, 2019

Notice Regarding Reorganization of Research, Production, and Technology Bases

Mitsubishi Tanabe Pharma Corporation (Head Office: Osaka; President & Representative Director: Masayuki Mitsuka; hereinafter, "MTPC") has decided to reorganize and consolidate its bases in order to strengthen its domestic research, production, and technology functions. Accompanying this reorganization, MTPC has decided to close the Toda Office (Saitama Prefecture) and the Kashima Office (Osaka City).

MTPC is implementing a range of initiatives for the period covered by the Medium-Term Management Plan 16-20 and the subsequent period to fiscal 2023. These include reviewing the allocation of management resources, working to optimize and increase the efficiency of global management systems, and taking steps to strengthen each of the Company's functions.

As one part of those initiatives, MTPC is working to aggressively advance open innovation in drug discovery research. To that end, for a certain period of time starting in May 2019, the Company will utilize Shonan Health Innovation Park (hereinafter, "Shonan iPark") in Kanagawa Prefecture as a research base. In this way, MTPC will strive to rapidly and actively take on the challenges of new technologies, new treatments, and new disease fields. The companies at Shonan iPark include not only pharmaceutical companies and drug discovery venture companies but also companies involved in R&D support services, research equipment and medical devices, and AI and IoT. Activities to recruit more companies are also being implemented. In stages, MTPC will assign approximately 250 research personnel to Shonan iPark, principally from the Frontier/Research Unit and the Modality Laboratory of the Yokohama Office and the Toda Office (to be closed in fiscal 2019). In this way, MTPC will build a human relations network with other companies in Shonan iPark and obtain opportunities for collaboration. By reorganizing the research function, with a special focus on the realization of definitive therapies through genetic drug discovery, MTPC will strive to provide new drugs and medical treatment services that address intractable diseases and rare diseases, from prevention to complete cures.

Furthermore, in regard to the production and technology functions, MTPC will take steps to bolster its production technology capabilities, establish a global-level new drug supply system, and transition to a flexible, efficient production system that demonstrates strength in handling changes in the operating environment. To that end, MTPC will consolidate the production and technology functions into two bases — the Onoda Office (Yamaguchi Prefecture) and the Yoshitomi Office (Fukuoka Prefecture). Specifically, the Kashima Office's CMC research function will be transferred to the Onoda Office. MTPC will strengthen collaboration between the production and CMC research functions, build an integrated manufacturing & technological development platform and utilize the Onoda Office as a technology base that addresses new technologies and modalities. The pharmaceutical mass production function will be consolidated into the Yoshitomi Office. Accordingly, MTPC has decided to close the Kashima Office in fiscal 2021.

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